

Model N

A Model N High Tech Customer Snapshot

"Model N provided us with the ability to see price and margin across the complete network as well as identify where we can most effectively keep margin."

— Fred Jones, Director, North America Sales Operations, Avago Technologies

Avago Technologies Improves Channel Relationships and Margins with Model N High Tech Revenue Management Suite

Avago Technologies
San Jose, California



www.avagotech.com

Industry:
Semiconductor

Deployment Scope:

- Model N Global Price Management: Quotes, Contracts; Model N Channel Revenue Management: Debits, POS, Design Registration, MPPs
- Forty currencies
- 1,000+ users worldwide

Benefits:

- Improved channel margins
- More effective channel relationships
- Special price requests generated within 24 hours
- Low total cost of ownership
- Ease of use

Avago Technologies

Avago Technologies is a leading supplier of analog interface components for communications, industrial, and consumer applications. By leveraging its core competencies in III-V compound and silicon semiconductor design and processing, the company provides an extensive range of analog, mixed signal, and optoelectronics components and subsystems to more than 40,000 customers. The company's products serve four diverse end markets: industrial and automotive, wired infrastructure, wireless communications, and computer peripherals.

Challenge:

Semiconductor and electronic component manufacturers rely on complex channel relationships to achieve sales objectives. Avago Technologies works with a vast network of channel partners in more than 70 countries and 40 currencies. Until recently, interactions with partners were distributed across multiple online and offline systems, clouding their ability to quickly and accurately respond to inquiries. Avago partners perceived them as being "hard to do business with." The company was missing out on business because competitors were responding more rapidly. To maintain market dominance, Avago must continue to grow and simultaneously enhance its partner relationships. This means they required an easy-to-use, flexible solution to support their partners.

In order to improve channel relationships and subsequently, channel margins, Avago needed a product that would offer a fast and effective method that met the requirements of the semiconductor business model, delivered rapid ROI, and enabled easy cross-functional training. The company wasn't utilizing systematic pricing practices and didn't have an infrastructure that supported self quoting in the channel. When evaluating solutions, the company realized that traditional ERP offerings didn't offer such capabilities and didn't support industry-specific requirements. Avago also realized there was a disconnect between business process flows and the ERP screen and transaction flows. Most importantly, the ERP systems evaluated couldn't turnaround quotes fast enough.

In light of these findings, Avago turned to Model N Revenue Management due to its domain-specific expertise and functionality, low total cost of ownership, and ease of use.

Solution: Improved Channel Performance, Automated Pricing

Avago utilizes the Model N Revenue Management Solution to improve effectiveness with channel partners and to ensure pricing accuracy and consistency. Approximately 1,000 end-users regularly use the solution to get quotes, request debits, and process POS data. Avago gives channel partners direct access to the system to generate their own quotes, see the details of special prices requests, and generate reports.

In addition to improving relations with partners, Avago discovered that Model N helps the company effectively shorten its supply chain. With a correct price, customers will engage first and sometimes only with Avago. With price management automated, quoted prices are turned around more quickly. The result is lower carrying costs, faster order times and ship outs, and improved cash to cash.

When Avago set out to transform its Revenue Management operation, they crafted a strategy that aligned goals across sales and marketing. In addition to the infrastructure solution, they also created a "Pricing Office," a team of people who develop the price book. With Model N, automated prices are returned based on existing contracts or pre-defined pricing rules based on the price book. Special price requests used to take 48 hours to four days — now they are created within 24 hours.